



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

February 23, 1999

H.R. 438

Wireless Communications and Public Safety Act of 1999

As ordered reported by the House Committee on Commerce on February 11, 1999

SUMMARY

H.R. 438 would require the Federal Communications Commission (FCC) to designate 911 as the universal emergency telephone number for wireline and wireless service within the United States for reporting an emergency to appropriate authorities and requesting assistance. The bill also would provide protection for wireless carriers and persons using wireless 911 services from liability associated with transmission errors or other technical failures. Under the bill, such liability protection would be no less than that provided in federal and state law for wireline 911 services and users.

CBO estimates that enacting H.R. 438 would have no significant effect on the federal budget. H.R. 438 contains intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that the costs would not be significant and would not exceed the threshold established by that act (\$50 million in 1996, adjusted annually for inflation). H.R. 438 would impose a new private-sector mandate on telecommunications carriers that provide telephone exchange service. CBO estimates that the direct cost of the new private-sector mandate would fall well below the statutory threshold as defined in UMRA (\$100 million in 1996, adjusted annually for inflation).

ESTIMATED COST TO FEDERAL GOVERNMENT

Based on information from the FCC, CBO estimates that promulgating regulations to implement this bill would cost less than \$500,000, assuming the availability of appropriated funds. Furthermore, under current law the FCC is authorized to collect fees from the telecommunications industry sufficient to offset the cost of its regulatory program. Therefore, CBO estimates the net budgetary effect of H.R. 438 would be negligible.

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL & TRIBAL GOVERNMENTS

Mandates. H.R. 438 contains intergovernmental mandates as defined in UMRA, but CBO estimates that they would impose no costs on state and local governments. The bill would preempt state laws to provide users of wireless 911 services and wireless companies protection from liability that is not less than that provided to users of 911 wireline service and wireline companies. States would have the ability to enact legislation that could alter some aspects of the parity of protection afforded to wireless companies, if they did so within two years of the passage of this bill. The bill would prevent states from applying a higher standard of liability to wireless 911 services than is applied to wireline 911 services.

Information from industry sources and associations of state and local governments indicates that many states currently have no wireless liability laws, and in states that do, they are modeled after and in no case exceed the standards applied to wireline communication companies. Because states would not be required to pass legislation for these liability protections to apply, CBO estimates that no costs would be associated with the mandates.

Other Impacts. Section 3 would direct the FCC to designate 911 as the universal emergency telephone number. Currently, 911 emergency systems are designated at the local level, and many jurisdictions use numbers other than 911 for emergency wireless service (for instance, “*55” or “#77”). Because the FCC’s authority over 911 service is limited to private carriers, not state and local governments, CBO believes that it is unlikely that this section would impose an intergovernmental mandate requiring state and local governments to change their emergency numbering systems.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

H.R. 438 would impose a new private-sector mandate on telecommunications carriers that provide exchange service. Those companies would be required to provide subscriber information (including unlisted and unpublished information) to providers of 911 emergency services and emergency notification services and to providers of information or database management services used in support of certain emergency services.

According to the FCC, this new mandate would apply to local phone companies and some wireless carriers. Under current law, local phone companies are already required to provide published (but not unlisted or unpublished) subscriber information to any person, upon request, for the purpose of publishing directories. According to industry sources, many carriers voluntarily provide this information to 911 providers as well. In addition, based on information from the Cellular Telephone Industry Association, CBO does not expect the

mandate to impose significant costs on the wireless industry. Therefore, CBO estimates that the direct costs of complying with the new private-sector mandate would fall well below the statutory threshold established in UMRA (\$100 million in 1996, adjusted annually for inflation).

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